

ASSEMBLY BILL

No. 2914

Introduced by Assembly Member Leno

February 24, 2006

An act to amend Section 16101 of the Corporations Code, and to repeal Section 5 of Chapter 504 of the Statutes of 1998, relating to limited liability partnerships.

LEGISLATIVE COUNSEL'S DIGEST

AB 2914, as introduced, Leno. Limited liability partnerships: architecture.

Existing law, the Uniform Partnership Act of 1994, authorizes, until January 1, 2007, the formation of foreign limited liability partnerships and registered limited liability partnerships to engage in the practice of architecture.

This bill would delete that date, thereby extending these provisions indefinitely.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 16101 of the Corporations Code is
- 2 amended to read:
- 3 16101. As used in this chapter, the following terms and
- 4 phrases have the following meanings:
- 5 (1) "Business" includes every trade, occupation, and
- 6 profession.
- 7 (2) "Debtor in bankruptcy" means a person who is the subject
- 8 of either of the following:

1 (A) An order for relief under Title 11 of the United States
2 Code or a comparable order under a successor statute of general
3 application.

4 (B) A comparable order under federal, state, or foreign law
5 governing insolvency.

6 (3) “Distribution” means a transfer of money or other property
7 from a partnership to a partner in the partner’s capacity as a
8 partner or to the partner’s transferee.

9 (4) “Electronic transmission by the partnership” means a
10 communication (a) delivered by (1) facsimile telecommunication
11 or electronic mail when directed to the facsimile number or
12 electronic mail address, respectively, for that recipient on record
13 with the partnership, (2) posting on an electronic message board
14 or network that the partnership has designated for those
15 communications, together with a separate notice to the recipient
16 of the posting, which transmission shall be validly delivered
17 upon the later of the posting or delivery of the separate notice
18 thereof, or (3) other means of electronic communication, (b) to a
19 recipient who has provided an unrevoked consent to the use of
20 those means of transmission, and (c) that creates a record that is
21 capable of retention, retrieval, and review, and that may
22 thereafter be rendered into clearly legible tangible form.
23 However, an electronic transmission by a partnership to an
24 individual partner is not authorized unless, in addition to
25 satisfying the requirements of this section, the transmission
26 satisfies the requirements applicable to consumer consent to
27 electronic records as set forth in the Electronic Signatures in
28 Global and National Commerce Act (15 U.S.C. Sec. 7001(c)(1)).

29 (5) “Electronic transmission to the partnership” means a
30 communication (a) delivered by (1) facsimile telecommunication
31 or electronic mail when directed to the facsimile number or
32 electronic mail address, respectively, which the partnership has
33 provided from time to time to partners for sending
34 communications to the partnership, (2) posting on an electronic
35 message board or network that the partnership has designated for
36 those communications, and which transmission shall be validly
37 delivered upon the posting, or (3) other means of electronic
38 communication, (b) as to which the partnership has placed in
39 effect reasonable measures to verify that the sender is the partner
40 (in person or by proxy) purporting to send the transmission, and

1 (c) that creates a record that is capable of retention, retrieval, and
2 review, and that may thereafter be rendered into clearly legible
3 tangible form.

4 (6) (A) “Foreign limited liability partnership” means a
5 partnership, other than a limited partnership, formed pursuant to
6 an agreement governed by the laws of another jurisdiction and
7 denominated or registered as a limited liability partnership or
8 registered limited liability partnership under the laws of that
9 jurisdiction (i) in which each partner is a licensed person or a
10 person licensed or authorized to provide professional limited
11 liability partnership services in a jurisdiction or jurisdictions
12 other than this state, (ii) which is licensed under the laws of the
13 state to engage in the practice of architecture, the practice of
14 public accountancy, or the practice of law, or (iii) which (I) is
15 related to a registered limited liability partnership that practices
16 public accountancy or, to the extent permitted by the State Bar,
17 practices law or is related to a foreign limited liability partnership
18 and (II) provides services related or complementary to the
19 professional limited liability partnership services provided by, or
20 provides services or facilities to, that registered limited liability
21 partnership or foreign limited liability partnership.

22 (B) For the purposes of clause (iii) of subparagraph (A), a
23 partnership is related to a registered limited liability partnership
24 or foreign limited liability partnership if (i) at least a majority of
25 the partners in one partnership are also partners in the other
26 partnership, or (ii) at least a majority in interest in each
27 partnership hold interests in or are members of another person,
28 except an individual, and each partnership renders services
29 pursuant to an agreement with that other person, or (iii) one
30 partnership, directly or indirectly through one or more
31 intermediaries, controls, is controlled by, or is under common
32 control with, the other partnership.

33 (7) “Licensed person” means any person who is duly licensed,
34 authorized, or registered under the provisions of the Business and
35 Professions Code to provide professional limited liability
36 partnership services or who is lawfully able to render
37 professional limited liability partnership services in this state.

38 (8) (A) “Registered limited liability partnership” means a
39 partnership, other than a limited partnership, formed pursuant to
40 an agreement governed by Article 10 (commencing with Section

1 16951), that is registered under Section 16953 and (i) each of the
2 partners of which is a licensed person or a person licensed or
3 authorized to provide professional limited liability partnership
4 services in a jurisdiction or jurisdictions other than this state, (ii)
5 is licensed under the laws of the state to engage in the practice of
6 architecture, practice of public accountancy, or the practice of
7 law, or (iii)(I) is related to a registered limited liability
8 partnership that practices public accountancy or, to the extent
9 permitted by the State Bar, practices law or is related to a foreign
10 limited liability partnership and (II) provides services related or
11 complementary to the professional limited liability partnership
12 services provided by, or provides services or facilities to, that
13 registered limited liability partnership or foreign limited liability
14 partnership.

15 (B) For the purposes of clause (iii) of subparagraph (A), a
16 partnership is related to a registered limited liability partnership
17 or foreign limited liability partnership if (i) at least a majority of
18 the partners in one partnership are also partners in the other
19 partnership, or (ii) at least a majority in interest in each
20 partnership hold interests in or are members of another person,
21 other than an individual, and each partnership renders services
22 pursuant to an agreement with that other person, or (iii) one
23 partnership, directly or indirectly through one or more
24 intermediaries, controls, is controlled by, or is under common
25 control with, the other partnership.

26 (9) “Partnership” means an association of two or more persons
27 to carry on as coowners a business for profit formed under
28 Section 16202, predecessor law, or comparable law of another
29 jurisdiction, and includes, for all purposes of the laws of this
30 state, a registered limited liability partnership, and excludes any
31 partnership formed under Chapter 2 (commencing with Section
32 15501) or Chapter 3 (commencing with Section 15611).

33 (10) “Partnership agreement” means the agreement, whether
34 written, oral, or implied, among the partners concerning the
35 partnership, including amendments to the partnership agreement.

36 (11) “Partnership at will” means a partnership in which the
37 partners have not agreed to remain partners until the expiration of
38 a definite term or the completion of a particular undertaking.

39 (12) “Partnership interest” or “partner’s interest in the
40 partnership” means all of a partner’s interests in the partnership,

1 including the partner's transferable interest and all management
2 and other rights.

3 (13) "Person" means an individual, corporation, business trust,
4 estate, trust, partnership, limited partnership, limited liability
5 partnership, limited liability company, association, joint venture,
6 government, governmental subdivision, agency, or
7 instrumentality, or any other legal or commercial entity.

8 (14) "Professional limited liability partnership services" means
9 the practice of architecture, the practice of public accountancy, or
10 the practice of law.

11 (15) "Property" means all property, real, personal, or mixed,
12 tangible or intangible, or any interest therein.

13 (16) "State" means a state of the United States, the District of
14 Columbia, the Commonwealth of Puerto Rico, or any territory or
15 insular possession subject to the jurisdiction of the United States.

16 (17) "Statement" means a statement of partnership authority
17 under Section 16303, a statement of denial under Section 16304,
18 a statement of dissociation under Section 16704, a statement of
19 dissolution under Section 16805, a statement of conversion or a
20 certificate of conversion under Section 16906, a statement of
21 merger under Section 16915, or an amendment or cancellation of
22 any of the foregoing.

23 (18) "Transfer" includes an assignment, conveyance, lease,
24 mortgage, deed, and encumbrance.

25 ~~(19) The inclusion of the practice of architecture as a~~
26 ~~professional limited liability partnership service permitted by this~~
27 ~~section shall extend only until January 1, 2007.~~

28 SEC. 2. Section 5 of Chapter 504 of the Statutes of 1998, as
29 amended by Section 2 of Chapter 595 of the Statutes of 2001, is
30 repealed.

31 ~~Sec. 5. The authorization in this act for registered limited~~
32 ~~liability partnerships and foreign limited liability partnerships to~~
33 ~~engage in the practice of architecture shall terminate on January~~
34 ~~1, 2007.~~